



U.S. Department of Justice

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FOR IMMEDIATE RELEASE

*****ADVISORY FOR FRIDAY, AUGUST 29, 2003*****

**U.S. ATTORNEY PATRICK L. MEEHAN TO PRESENT CHECK
REPRESENTING LARGEST RECOVERY EVER OF FORFEITED
ASSETS IN EASTERN DISTRICT OF PENNSYLVANIA TO
PA INSURANCE COMMISSIONER**

EVENT SCHEDULE

11:15 a.m. – U.S. Attorney's Office, 615 Chestnut Street, Philadelphia, Pa. Eighth floor conference room.

PHILADELPHIA – United States Attorney's Office and the F.B.I. have recouped approximately \$16.9 million through criminal forfeiture proceedings brought against lawyer Allen W. Stewart, a former partner in Morgan Lewis and Bockius, a nationally prominent law firm based in Philadelphia.

Stewart's complex corporate fraud involved his acquisition of two insurance companies through a leveraged buy out which caused the two companies to become insolvent. Stewart, however, through the creation of a myriad of corporations and complex transactions, and with the help of the prestige of his position as a prominent attorney in the insurance field, hid the insolvencies from the state regulators and systematically looted both companies. Ultimately, Stewart's crimes caused the insurance companies to collapse, and the Pennsylvania Department of Insurance took over the two companies and liquidated them. Stewart caused losses of more than \$80 million and victimized 9,000 policyholders throughout the country.

Among the items forfeited, an oceanfront California mansion Stewart purchased for his mistress, and \$51,750 grandfather clock bought at Sotheby's in New York. **(Photos of forfeited items will be available.)**

Stewart was convicted in 1997 and is currently serving a 15-year prison sentence.